

DEPARTMENT OF CALIFORNIA HIGHWAY PATROL

**COMMAND AUDIT OF THE
GRASS VALLEY AREA**



FINAL REPORT

AUGUST 24, 2010

M e m o r a n d u m

Date: August 24, 2010

To: Office of the Commissioner
Attention: Commissioner J. A. Farrow

From: **DEPARTMENT OF CALIFORNIA HIGHWAY PATROL**
Office of Inspector General

File No.: 010.13424.A13471

Subject: FINAL 2009 COMMAND AUDIT REPORT OF THE GRASS VALLEY AREA

In accordance with the Institute of Internal Auditors, *International Standards for the Professional Practice of Internal Auditing* §2440, issued by the Institute of Internal Auditors, Government Code §13887(a)(2), and the California Highway Patrol (CHP) Audit Charter, I am issuing the 2009 Command Audit Report of the Grass Valley Area. The audit focused on the command's Driving Under the Influence and Asset Forfeiture Programs.

The audit revealed the command has adequate operations. However, some issues were observed. This report presents suggestions for management to improve on some of its operations. In doing so, operations would be strengthened and the command would ensure it is operating in compliance with policies and procedures. We have included our specific findings, recommendations, and other pertinent information in the report. The Grass Valley Area agreed with all of the findings and plans to take corrective action to improve its operations.

The Grass Valley Area will be required to provide a 30 day, 60 day, six month, and one year response on its corrective action plan implementation. If identified issues are resolved and addressed during any phase of the above reporting period, no future action is required on their behalf. Also, the Office of Inspector General plans on conducting a follow-up review within one year from the date of the final report.

Additionally, in accordance with the *International Standards for the Professional Practice of Internal Auditing* and Government Code §13887(a)(2), this report, the response, and any follow-up documentation is intended for the Office of the Commissioner; Assistant Commissioner, Field; Office of Inspector General; Office of Legal Affairs; Valley Division; and the Grass Valley Area. Please note this report restriction is not meant to limit distribution of the report, which is a matter of public record pursuant to Government Code §6250 et seq.

In accordance with the Governor's Executive Order S-20-09 to increase government transparency, the final audit report, including the response to the draft audit report, will be posted on the CHP's internet website, and on the Office of the Governor's webpage, located on the State's Government website.

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The Office of Inspector General would like to thank the Grass Valley Area's management and staff for their cooperation during the audit. If you need further information, please contact Captain Bob Jones at (916) 843-3160.


E. SANCHEZ, Captain
Interim Inspector General

cc: Assistant Commissioner, Field
Valley Division
Grass Valley Area
Office of Legal Affairs
Office of Inspector General, Audits Unit

BUSINESS, TRANSPORTATION AND HOUSING AGENCY

DEPARTMENT OF CALIFORNIA HIGHWAY PATROL

COMMAND AUDIT OF THE GRASS VALLEY AREA

OFFICE OF INSPECTOR GENERAL

AUGUST 24, 2010

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EXECUTIVE SUMMARY

The Commissioner has the responsibility, by statute, to enforce laws regulating the operation of vehicles and use of highways in the State of California and to provide the highest level of safety, service, and security to the people of California. Consistent with the California Highway Patrol's (CHP) 2009 Audit Plan, the Office of the Commissioner directed the Office of Inspector General, Audits Unit, to perform an audit of the Grass Valley Area.

The CHP's 2008-2010 Strategic Plan highlights the mission statement which includes five broad strategic goals designed to guide the CHP's direction. One strategic goal is to continuously look for ways to improve the efficiency and/or effectiveness of departmental operations.

The objective of the audit is to determine if the command has complied with operational policies and procedures regarding the Driving Under the Influence (DUI) Cost Recovery and Asset Forfeiture Programs. Additionally, this audit will provide managers with reasonable, but not absolute, assurance that departmental operations are being properly executed. The audit period was from January 1, 2008 through May 31, 2009. However, to provide a current evaluation of the command, primary testing was performed of business conducted during the period July 1, 2008 through May 31, 2009. The audit included the review of existing policies and procedures, as well as examining and testing of recorded transactions to determine compliance with established policies, procedures, and good business practices. The audit field work was conducted from June 29 - July 1, 2009.

Sample selection for this audit was primarily random. However, if a judgmental sample was necessary, the auditor selected accordingly. Whenever possible, the use of risk assessment was used to select a sample containing the highest probability of risk to the command.

Based on the review of the Grass Valley Area's operations, this audit revealed the Grass Valley Area has complied with most operational policies. However, some issues were observed. The following is a summary of the identified issues:

DUI Cost Recovery Program

- The command did not always ensure the accuracy of their DUI Cost Recovery Program documents.

Asset Forfeiture Program

- The command's Asset Forfeiture Coordinator has not received training on an annual basis.

Please refer to the Findings and Recommendations section for detailed information.

AUDIT REPORT

INTRODUCTION

To ensure the California Highway Patrol's (CHP) operation is efficient and/or effective and internal controls are in place and operational, the Office of the Commissioner directed the Office of Inspector General, Audits Unit, to perform an audit of the Grass Valley Area.

The CHP's 2008-2010 Strategic Plan highlights the mission statement which includes five broad strategic goals designed to guide the CHP's direction. One strategic goal is to continuously look for ways to improve the efficiency and/or effectiveness of departmental operations. This audit will assist the CHP in meeting its goal.

OBJECTIVE AND SCOPE

The objective of the audit is to determine if the command has complied with operational policies and procedures regarding the Driving Under the Influence (DUI) Cost Recovery and Asset Forfeiture Programs that provide managers with reasonable, but not absolute, assurance departmental operations are being properly executed. The audit period was from January 1, 2008 through May 31, 2009. However, to provide a current evaluation of the command, primary testing was performed of business conducted during the period July 1, 2008 through May 31, 2009. This audit included the review of existing policies and procedures, as well as examining and testing recorded transactions to determine compliance with established policies, procedures, and good business practices. The audit field work was conducted from June 29 - July 1, 2009.

METHODOLOGY

Under the direction of the Office of the Commissioner, each command was randomly selected to be audited regarding its DUI Cost Recovery and Asset Forfeiture Programs. Sample selection of areas to be audited was primarily random or judgmental. Whenever possible, the use of risk assessment was used to select a sample containing the highest probability of risk to the command.

There were no prior audit reports and findings of this command.

OVERVIEW

DUI Cost Recovery Program: The command was compliant with most state laws and departmental policies and has adequate internal controls related to their DUI Cost Recovery Program. However, the command did not always ensure the accuracy of their DUI Cost Recovery Program documents.

Asset Forfeiture Program: The command was compliant with state laws and most departmental policies and has adequate internal controls related to their Asset Forfeiture Program. However, the command's Asset Forfeiture Coordinator has not received training on an annual basis.

This audit revealed the command has adequate operations, nevertheless issues were discovered, which if left unchecked could have a negative impact on the command and CHP operations. These issues should be addressed by management to maintain the command's compliance with appropriate laws, regulations, policies, and procedures. The issues and appropriate recommendations are presented in this report.

As a result of changing conditions and the degree of compliance with policies and procedures, the efficiency and effectiveness of operations change over time. Specific limitations may hinder the efficiency and effectiveness of an otherwise adequate operation include, but are not limited to, resource constraints, faulty judgments, unintentional errors, circumvention by collusion, fraud, and management overrides. Establishing compliant and safe operations and sound internal controls would prevent or reduce these limitations; moreover, an audit may not always detect these limitations.

FINDINGS AND RECOMMENDATIONS

DRIVING UNDER THE INFLUENCE (DUI) COST RECOVERY PROGRAM

FINDING 1: **The command did not always ensure the accuracy of their DUI Cost Recovery Program documents.**

Condition: From August 1, 2008 to May 31, 2009, the command generated 77 CHP 735, Incident Response Reimbursement Statements. The auditor randomly selected 41 DUI Cost Recovery billing packages for review. Based on the review, the auditor determined 34 of 41 (83 percent) DUI Cost Recovery billing packages offender's names and court case numbers were not included on the CHP 415, Daily Field Record forms. However, during the audit field work, the auditor noted the command took immediate action to resolve this issue.

Criteria: Government Code Section 13403(a)(3), (4), and (6) articulates the elements of a satisfactory system of internal accounting and administrative control, shall include, but are not limited to, the following: A system of authorization and recordkeeping procedures adequate to provide effective accounting control over assets, liabilities, revenues, and expenditures; an established system of practices to be followed in performance of duties and functions in each of the state agencies; and an effective system of internal review.

HPM 11.1, Administrative Procedure Manual, Chapter 20, DUI Cost Recovery Program, paragraph 4.e.(2)(c) states:

“(c) The number of staff hours charged on the CHP 735, Incident Response Reimbursement Statement, must agree with the appropriate CHP 415, Daily Field Record. Area offices must be able to verify the hours claimed on the CHP 735, Incident Response Reimbursement Statement, when offenders challenge the hours billed. If an Area office cannot substantiate the hours billed, the Department cannot recover incident costs. In order to reconcile the hours, please ensure the following information is included:

1 Offender's name and court case number shall be included on the CHP 415, Daily Field Record.

2 When time recorded under a specific category (e.g., Accident Investigation, Partner Assist, Response Time) on the CHP 415, Daily Field Record, includes more than one activity, indicate the billable DUI time in the Notes portion on the CHP 415, Daily Field Record.”

Recommendation: The command should include the offender's names and court case numbers on the CHP 415 forms.

FINDING 2: **The command's Asset Forfeiture Coordinator (AFC) has not received training on an annual basis.**

Condition: The command's AFC has not received Asset Forfeiture training from the Division AFC on an annual basis. According to the commander, the commander had on two separate occasions requested asset forfeiture training for the command's AFC but the training was not provided.

Criteria: HPM 81.5, Drug Programs Manual, Chapter 2, Asset Forfeiture Program, paragraph 21.a. and 21.c. states,

"21. ASSET FORFEITURE TRAINING.

a. In order to ensure uniformity throughout the Department, Division AFCs shall receive annual training from the departmental AFC coordinator in FSS. The training will encompass asset forfeiture laws, pending state and/or federal legislation relating to asset forfeiture, departmental policies, and procedures. Division AFCs will in turn provide annual training to Area AFCs, uniformed employees assigned to NTFs, canine handlers, and affected non-uniformed employees involved with asset forfeiture. The training shall be of sufficient duration to ensure full understanding of legal/policy requirements. In addition, Division AFCs should attend Division Area Commanders' Conferences as necessary to provide commanders with an overview of the Department's AFC and any related new legislation or updates to departmental policy."

"c. Area and Division commanders shall ensure that AFCs and their alternates attend all locally required training in asset forfeiture procedures when such training is provided by the district attorney's office. In addition, the California District Attorneys' Association sponsors asset forfeiture classes each year. Class information is available through the Internet on the California District Attorneys' Association Web site (www.CDAA.org), or by calling the California District Attorneys' Association in Sacramento at (916) 443-2017. Commanders are encouraged to include these classes in their annual Departmental Out-Service Training plans. The following procedures shall be followed when requesting to attend out-service asset forfeiture training.

(1) Contact the FSS AFC to determine appropriateness of the training and to obtain funding information.

(2) Prepare a CHP 50, Request for Out-Service Training, and forward through channels, to FSS for OPI approval.

(3) Upon OPI approval, the CHP 50 will be returned to the requestor's Division for processing."

Recommendations: The command should comply with departmental policy related to the annual requirement for asset forfeiture training.

CONCLUSION

Based on the review of the command's operation, this audit revealed the command has adequate operations. However, some issues were observed. This report presents suggestions for management to improve on some of its operations. In doing so, operations would be strengthened and the command would operate in accordance with departmental policies and procedures.

ANNEX

A

Memorandum

Date: July 27, 2010

To: Office of Inspections

From: **DEPARTMENT OF CALIFORNIA HIGHWAY PATROL**
Valley Division

File No.: 201.9196.18598.10-269

Subject: GRASS VALLEY AREA – COMMAND AUDIT REPORT – DRIVING
UNDER THE INFLUENCE (DUI) COST RECOVERY AND ASSET
FORFEITURE PROGRAMS VERIFICATION OF CORRECTIVE ACTION
RESPONSE

Valley Division is forwarding the Grass Valley Area 2009 Command Audit Report response for the Driving under the Influence (DUI) Cost Recovery and Asset Forfeiture Programs of the Grass Valley Area as required by the Office of the Assistant Commissioner, Inspector General. The Grass Valley Area concurred with each finding and has taken corrective action on the following discrepancies:

DRIVING UNDER THE INFLUENCE (DUI) COST RECOVERY PROGRAM

1. The command did not always ensure the accuracy of their DUI Cost Recovery Program documents.

Command now requires the officers to submit with the CHP 735 (Incident Response Reimbursement Statements), a copy of their CHP 415 (Daily Field Record), and a copy of all other officers listed on the CHP 735.

ASSET FORFEITURE

1. The command's Asset Forfeiture Coordinator has not received training on an annual basis.

The Commander had requested training for the Area Coordinator two separate times but the class was not available. The Area's training sergeant is aware of the need and is actively seeking the next available position for the required class.

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The Grass Valley Area will continue to follow up on the aforementioned discrepancies to ensure adherence to policies and procedures in the future. If you have any questions, please contact Sergeant Dolores Lavrador at (530) 273-4415.

A handwritten signature in blue ink, appearing to read "S. Lerwill". The signature is stylized with a large, looped "L" and a circular flourish at the end.

S. LERWILL, Chief

Attachment

ANNEX

B

M e m o r a n d u m

Date: July 26, 2010

To: Valley Division

From: **DEPARTMENT OF CALIFORNIA HIGHWAY PATROL**
Grass Valley Area - 230

File No.: 230.12474

Subject: 2009 COMMAND AUDIT - AFTER ACTION REPORT

Area has received the Office of the Assistant Commissioner, Inspector General Report regarding the Command Audit. The audit revealed that the Grass Valley Area has complied with most operational policies. However, there were two areas the report indicated that needed some improvement.


DUI Cost Recovery Program.

Although the command was in compliant with most state laws and departmental policies and has adequate internal controls, it was determined the command did not always ensure the accuracy of their DUI Cost Recovery Program documents. As the auditors were completing their field work at the Area, the Command took immediate action to resolve this issue. The officers are required to submit with the CHP 735 (Incident Response Reimbursement Statements) a copy of their CHP 415 (Daily Field Record) and a copy of all other officers listed on the CHP 735. In addition to the offenders name and case number being included on the CHP 415, the time and activity relating to the DUI incident is highlighted.

Asset Forfeiture Program

Although the command was in compliant with most state laws and departmental policies and has adequate internal controls, it was determined the command's Asset Forfeiture Coordinator (AFC) has not received training on an annual basis. The Commander had requested training for the Area Coordinator two separate times. For reasons beyond the Area's control, the class was not available. The Area's training sergeant is aware of the need and is actively seeking the next available position for the required class.

Should you have any questions regarding this audit, please contact my office at (530) 273-4415.



D.M. LAVRADOR, #12474
Sergeant

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